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October 3, 2002

Honorable James H. Welsh  
Commissioner of Conservation  
State of Louisiana  
Post Office Box 44275  
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING

Upper Yegua Zone, Reservoir A, SOUTH GORDON  
FIELD, Beauregard Parish, Louisiana.

Dear Sir:

COX & PERKINS EXPLORATION, INC. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the Upper Yegua Zone, Reservoir A, in the South Gordon Field, Beauregard Parish, Louisiana.

1. To dissolve the single drilling and production unit designated U Y RA SUA created by Office of Conservation Order No. 1453, effective January 9, 2001, for the Upper Yegua Zone, Reservoir A, South Gordon Field, and simultaneously therewith to establish a single reservoirwide unit for the exploration for and production of oil, gas and other hydrocarbons from the Upper Yegua Zone, Reservoir A, South Gordon Field, Beauregard Parish, Louisiana, such unit containing 320 acres and being designated S GO U Y RA SU, as more particularly shown on the attached plat, and to approve a program of pressure maintenance and/or secondary recovery with respect to such reservoirwide unit, all in accordance with the provisions of LSA-R.S. 30:5C (Act 441 of 1960), as amended.
2. To establish rules and regulations governing the exploration for and production of oil, gas and other hydrocarbons from the proposed reservoirwide unit.
3. To force-pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed reservoirwide unit with each separate tract sharing in unit production in accordance with the terms and provisions of the Unit Agreement and to provide for the allocation to each separate tract its proportionate share of unit costs and expenses in the same proportion as such tract shares in unit production.

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4. To approve and adopt the Unit Agreement for the Upper Yegua Zone, Reservoir A, South Gordon Field, Beauregard Parish, Louisiana, which agreement covers the plans and terms of unit operations.

5. To designate Applicant as Operator of the proposed reservoirwide unit and to approve the well currently completed in the Upper Yegua Zone, Reservoir A, as the unit well.

6. To exempt the proposed reservoirwide unit from the well location provisions of Statewide Order No. 29-E.

7. To define the Upper Yegua Zone, Reservoir A, South Gordon Field, Beauregard Parish, Louisiana, as that zone productive of oil, gas and other hydrocarbons encountered between the depths of 9,100 feet and 9,980 feet (electrical log measurements) in the Cox & Perkins Exploration--Temple Inland 19 No. 1 Well, located in Section 19, Township 7 South, Range 9 West, Beauregard Parish, Louisiana.

8. To consider such other matters relating to the proposed reservoirwide unit as may be appropriate and justified by the evidence presented at the public hearing.

At the public hearing on this matter Applicant will present evidence showing that the proposed unit operation of the reservoirwide unit is economically feasible, will appreciably increase the ultimate recovery of hydrocarbons from the Upper Yegua Zone, Reservoir A, and will prevent the drilling of unnecessary wells. Accordingly, creation of the reservoirwide unit and approval and adoption of the Unit Agreement is appropriate under the provisions of LSA-R.S. 30:5C (Act 441 of 1960), as amended.

Applicant has secured execution of the Unit Agreement by more than 75% in interest of the Owners and Royalty Owners as those terms are used in LSA-R.S. 30:5C (Act 441 of 1960), as amended.

Pertinent data concerning this application is available for inspection at the offices of Louis Gilbert & Associates, Inc., 3636 N. Causeway Blvd., Suite 204, Metairie, Louisiana 70002-7216. Any person wishing to inspect such data should call Mr. Louis Gilbert at (504) 834-8112 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data which is not otherwise available from the Office of Conservation can be obtained from Applicant at the expense of the requesting party.

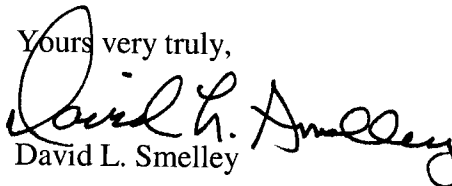
As provided by the Revised Rules of Procedure, the subject matter of this application does not require the issuance of a pre-application notice; therefore, no such notice has been issued.

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Pursuant to the aforesaid Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of this letter, and of the attached plat, is being sent to the District Manager of the Lafayette District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties, as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing and the enclosed plat at a prominent place in the area affected and will cause the Legal Notice to be published in a newspaper published in the general area of South Gordon Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

A check payable to the Office of Conservation and covering the application fee is enclosed.

Yours very truly,  
  
David L. Smelley

— Attorney for Cox & Perkins Exploration, Inc.

DLS:dp  
Enclosures

cc: Mr. Richard Hudson (w/encls.)  
Mr. Dick Perkins (w/encls.)  
Ms. Connie Noble (w/encls.)  
Mr. Louis Gilbert (w/encls.)  
Interested Owners, Represented Parties  
and Interested Parties (w/plat only)

TRACT	PARTICIPANT	ACREAGE	PERCENT
1	Herman McFatter, et al	3.203	1.00094
2	Michael V. Musgrove	7.529	2.35281
3	Calcasieu Real Estate & Oil Co., Inc.	8.585	2.68281
4	Temple-Inland Forest Products Corp.	67.305	21.03281
5	Herman E. McFatter, et al	37.048	11.57750
6	Calcasieu Real Estate & Oil Co., Inc.	34.232	10.69750
7	James DeLee, et ux	24.176	7.55500
8	James DeLee, et ux	13.379	4.18094
9	James DeLee, et ux	3.000	0.93750
10	H.C. Drew Est.	40.280	12.58750
11	James Deramus	2.000	0.62500
12	Lola Eloise Deramus	30.596	9.56125
13	B.H. Timber, Inc.	31.805	9.93906
14	Calcasieu Area Council, Boy Scouts of America	16.862	5.26938

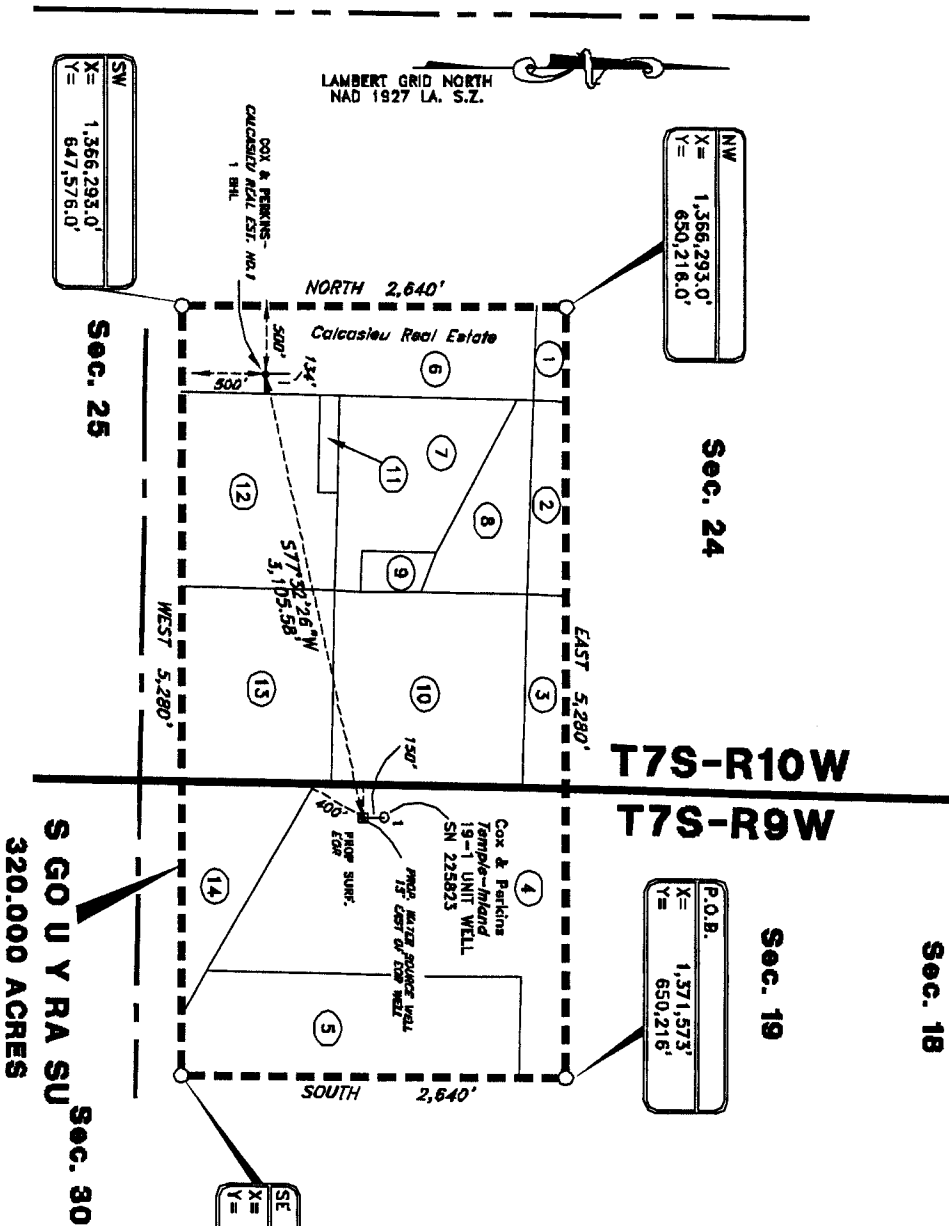


EXHIBIT _____	DOCKET _____
COX & PERKINS EXPLORATION, INC.	
HOUSTON, TEXAS	
SOUTH GORDON FIELD	
BEAUREGARD PARISH, LOUISIANA	
PROPOSED RESERVOIR/WIDE UNIT	
UPPER YEGUA ZONE RESERVOIR A	
LOUIS GILBERT & ASSOCIATES, INC.	
Consulting Geologists	
8/19/02	

BASE PREPARED BY:  
C & C TECHNOLOGIES, INC.  
LAFAYETTE, LOUISIANA  
PH. (337) 261-0660  
FILENAME: L:\JOYSON\10228B.DWG